WHO SAYS BUSINESS CAN'T BE FUN?

The college drop-out and restaurateur extraordinaire at The Eccentric.

Before opening his first restaurant, Rich Melman seemed an unlikely candidate for international acclaim. He'd graduated near the bottom of his high school class in North Chicago, sold ice cream and hot dogs on the city's lakefront, worked in his father's neighborhood deli, and dropped out of two colleges.

Almost 20 years later, this self-confessed "bad student" heads a restaurant company with 3,500 employees and annual sales reaching $100 million, and has been praised for his marketing genius at the University of Chicago Graduate School of Business.

It says a lot about Melman that he seems to be as excited about the praise given him by one of the country's greatest business schools as he is about his company's astonishing success. "Anytime I get recognition from a school that I clearly respect, like the University of Chicago, it makes me feel twice as good. I mean—they would have thrown my application away in about a second. I probably wouldn't have been allowed on campus."

Step into Ed's and step back to 1952.

Nowadays, Melman can go just about anywhere he wants, but he's happy running Lettuce Entertain You Enterprises, Inc., which owns and manages more than 25 restaurants in Illinois, Arizona, New York, California and Osaka, Japan.

Melman started working in restaurants "almost by default." Since his whole family was in the business, "it's the one thing I felt confident that I'd be good at." But this is not a story about taking over a family business. After working at his father's deli for almost five years, he wanted to buy a piece of the business. His father and father's partner turned him down, telling him he needed to marry and settle down first. At 25, he wasn't ready to marry. Two weeks later, he gave them his notice. "I knew then I wanted something for myself."

That something turned out to be R. J. Grunt's. Melman and a partner opened it with just $17,000 in the summer of 1971. What looks like a nice little neighborhood restaurant in 1990 was then revolutionary. "It was funky," he notes. "We had style but no money. So you improvise." With unmatched chairs, a menu that featured vegetarian fare and burgers, a 40-item salad bar when salad bars were new, an occasional roving astrologer, and music from Woodstock, it was everything the staid restaurants of the time were not.

North Chicago's home of Northern Italian cuisine.

It wasn't an instant hit. After a few months of slow business, Melman says, "It was very scary for me." But then things clicked. R. J. Grunt's was soon the hottest place in Chicago.

Things have been clicking for this savvy restaurateur ever since. A few examples: Ed Debevic's is a 1952 style diner, complete with brushed aluminum countertops, vinyl booths, jukeboxes, waitresses wearing buttons that say "Eat and Get Out," and prices that top out at around $5 an item. Customers love it in Phoenix, Beverly Hills, Chicago, Osaka and now New York. Then there is Ambria, one of Chicago's premiere dining establishments, where nothing is short-order. The Chef's special—La Grand Menu Degustation—requires 24-hour advance notice. In between are the Cafe Ba-Ba-Reeba!, offering tapas, the hot and cold appetizers of Spain, and The Eccentric, a brasserie which features an ever-changing display of contemporary artwork.

In a business where one out of four restaurants goes under within nine months, Lettuce Entertain You Enterprises has never had a real failure. This record owes something to Melman's unique approach to developing restaurant concepts. He begins with a script, as if each restaurant were a movie. Here's what he wrote for Cafe Ba-Ba-Reeba!:

It's 1962 in a picturesque, older section of Madrid.

Continued on last page

Some of the bright lights of Lettuce Entertain You Enterprises.

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